PUBLIC NOTICE

Federal Communications Commission
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NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.'S PROPOSED 2015 MODIFICATION OF AVERAGE SCHEDULE FORMULAS

PLEADING CYCLE ESTABLISHED
WC Docket No. 14-247

Comments Due: February 17, 2015
Reply Comments Due: February 27, 2015

On December 23, 2014, the National Exchange Carrier Association, Inc. (NECA) filed with the Commission its proposed modification of average schedule formulas for interstate settlements, pursuant to section 69.606 of the Commission's rules.[1] NECA proposes to revise the formulas for average schedule interstate settlement disbursements in connection with the provision of interstate access services for the period beginning July 1, 2015, through June 30, 2016.

Overall, NECA proposes formula changes that would increase settlement rates by 6.6 percent, at constant demand.[2] The proposed settlement formulas reflect the same general structures and methods as current formulas. Modifications to the average schedule formulas are based on a statistical sampling of the costs and demand of comparable cost companies. The effects of these formula changes on individual average schedule companies will vary depending on each company's size and demand characteristics. NECA calculates that 274 companies are expected to experience increases in settlement rates and 48 study areas are expected to experience decreases in settlement rates, at constant demand.[3]

According to NECA, most of the settlement increases are attributed to increases in Common Line (CL) and Non-DSL formulas for medium and large study areas, partly offset by decreases in the DSL Basic formula.[4] The increases in CL and Non-DSL formulas are attributable to significant increases in Cable and Wire Facilities investment reported by sample average schedule study areas, higher account growth, and significant reductions in access lines and Non-DSL demand in this year's study compared to last year. NECA also reports that, for the basic DSL formula higher account, growth is offset by higher demand growth and lower allocation to the DSL basic revenue requirement due to more data-only costs

[1] 47 C.F.R. § 69.606(b). *See* National Exchange Carrier Association, 2015 Modification of Average Schedules, *attached to* Letter from Richard A. Askoff, Executive Director - Regulatory, NECA, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 14-247 (filed Dec. 23, 2014).

[2] *Id*. at Summary-1.

[3] *Id*. at I-5-6.

[4] *Id*. at I-6.

excluded from reported accounts. Together these factors have contributed to a decrease in the basic DSL formula compared to last year.[5]

Pursuant to section 1.419 of the Commission's rules, 47 C.F.R. § 1.419, interested parties may file comments on or before the date indicated above. Comments may be filed by paper copies or by using the Commission's Electronic Comment Filing System (ECFS). *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: http://fjallfoss.fcc.gov/ecfs2/.

- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. Because more than one docket number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

    - All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th Street, SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.

    - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.

    - U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

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This matter shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.[6] Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them

[5] *Id*.

[6] 47 C.F.R. §§ 1.1200 *et seq*.

in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

For further information, please contact Don Sussman, Pricing Policy Division, Wireline Competition Bureau, at (202) 418-0629 or via e-mail at Don.Sussman@fcc.gov.

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